

FISCAL NOTE

Bill #: HB0009

Title: Reduce GF shortfall through revising RIT

Primary

Sponsor: Stan Fisher

Status: As Introduced

Sponsor signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	<u>FY 2003</u> <u>Difference</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Expenditures:			
State Special Revenue (02)	(1,916,752)		
Trust Fund (09)	(\$500,000)		
Net Impact to Fund Balance:			
State Special Revenue (02)	(1,916,752)		
Trust Fund (09)	(\$500,000)		
Net Impact on General Fund Balance:		\$0	

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. This act proposes to reduce the general fund shortfall with the use of the Resource Indemnity Trust fund (RIT), Reclamation and Development Grant Program (RDGP), and the Orphan Share.
2. The dollar amounts may not correlate exactly to general fund savings because they are based on percentage revenue estimates. For overall amounts, HB 9 must be taken into consideration with HB 10 and HB 11.
3. The bill eliminates a one-time transfer in FY 2003 of RIT funding for county weed eradication programs administered through the Department of Agriculture. Per 80-7-705, MCA, the department

(continued)

was to distribute the \$500,000 equally among Montana counties that have established a noxious weed fund.

4. HB 9 provides for the reduction of two grants funded from the Reclamation and Development Grant Program, and a reduction in the Reclamation and Development Grant Program, as indicated:
 - a) grant: Gregory Mine reclamation (\$300,000),
 - b) grant: Reliance Refinery Cleanup #1 and #2 (\$466,752), and
 - c) Reclamation and Development Grant Program (\$300,000 for FY 2003 through FY 2005)
5. The bill reduces RIT interest to the Future Fisheries program by \$150,000 with reductions to continue into the 2005 biennium.
 (This reduction to Future Fisheries of \$150,000 and the reduction in 4.c. of \$300,000 to the RDGP make more funding available to other programs in the RIT interest allocation. Amendments to HB 9 modify the allocation percentages for FY 2003 through FY 2005. There are no direct general fund savings here. This only makes more funding available to other programs that are taking the largest reductions in HB 10. The general fund savings will come from the shift of revenues to the general fund in HB 10.)
6. When amended, at the end of FY 2003, HB 9 proposes to take \$1 million of the Orphan Share fund balance and deposit it in the general fund.

FISCAL IMPACT:

	<u>FY 2003</u> <u>Difference</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Expenditures:</u>			
FWP – Future Fisheries	(150,000)		
Ag – Weed Eradication	(500,000)		
DNRC – Reliance Refinery	(466,752)		
DEQ – Gregory Mine	<u>(300,000)</u>		
TOTALS	(\$1,416,752)		
<u>Funding:</u>			
State Special Revenue (02)	(\$916,752)		
Trust Fund (09)	<u>(\$500,000)</u>		
TOTALS	(\$1,416,752)		
<u>Revenues:</u>			
FWP – Future Fisheries	(150,000)	(150,000)	(150,000)
Renewable Resource	135,000	135,000	135,000
RDGP	(142,500)	(142,500)	(142,500)
Hazardous Waste CERCLA account	117,000	117,000	117,000
EQPF	<u>40,500</u>	<u>40,500</u>	<u>40,500</u>
TOTALS	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Expenditure):

State Special Revenue (02)	(\$916,752)
Trust Fund (09)	<u>(\$500,000)</u>
TOTALS	(\$1,416,752)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Gregory Mine reclamation (\$300,000), Reliance Refinery Cleanup #1 and #2 (\$466,752)

TECHNICAL NOTES:

1. When amended, HB 9 will enable the transfer of \$1 million from RIT to the reclamation development account, and enable \$1 million of the Orphan Share fund balance to be deposited in the general fund. When amended, the Fiscal Impact will appear as shown below.

FISCAL IMPACT (when amended):

	<u>FY 2003</u> <u>Difference</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Expenditures:</u>			
FWP – Future Fisheries	(150,000)		
Ag – Weed Eradication	(500,000)		
DNRC – Reliance Refinery	(466,752)		
DEQ – Gregory Mine	(300,000)		
TOTALS	(\$1,416,752)		

Funding:

State Special Revenue (02)	(\$916,752)
Trust Fund (09)	(\$500,000)
TOTALS	(\$1,416,752)

Revenues:

FWP – Future Fisheries	(150,000)	(150,000)	(150,000)
Renewable Resource	4050	4050	4050
RDGP	148,500	148,500	148,500
Hazardous Waste CERCLA account	600	600	600
EQPF	(3150)	(3150)	(3150)
TOTALS	\$0	\$0	\$0

Transfers (allowable with amendments):

General Fund (01) – from Orphan Share	1,000,000
State Special (02)	
Orphan Share	(1,000,000)
RDGP – transfer from RIT	1,000,000
Trust Fund (09)	
Resource Indemnity Trust Fund	(1,000,000)
TOTALS	\$0

Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	1,000,000
State Special Revenue (02)	(1,916,752)
Trust Fund (09)	(\$500,000)